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C O N F I D E N T I A L DJIBOUTI 000816

SIPDIS

HQ USAF FOR CHIEF OF STAFF AND POLAD
CJTF-HOA FOR POLAD

E.O. 12958: DECL: 10/16/2032
TAGS: [PREL](#) [PGOV](#) [MASS](#) [MOPS](#) [EAID](#) [DJ](#) [ER](#) [SO](#) [XA](#)
SUBJECT: SCENESETTER FOR VISIT OF GENERAL NORTON A.
SCHWARTZ, USAF CHIEF OF STAFF

REF: A. DJIBOUTI 27 (NOTAL)
[1](#)B. DJIBOUTI 393 (NOTAL) AND PREVIOUS

Classified By: CHARGE D'AFFAIRES AD INTERIM ERIC WONG.
REASONS: 1.4 (B), (C) & (D).

[1](#)1. (C) SUMMARY. A key regional partner in the Horn of Africa, Djibouti hosts not only the sole U.S. military base in Africa, but also broadcasting facilities used by the Voice of America to reach Muslim audiences, one of USAID's primary global warehouses for pre-positioned emergency food stockpiles, and one of the world's only remaining live-fire ranges used by the U.S. military. Djibouti thus plays a significant role in U.S. efforts to combat extremism, fight hunger, and pursue the global war on terrorism. Djiboutian senior leaders currently have two key security concerns: externally, border tensions posed by Eritrea's incursion into (and continued occupation of) Djiboutian territory near the strategic Bab-al-Mandab strait; and, internally, near famine conditions caused by continued drought in the Horn of Africa, reliance on food exports, and rising global commodity prices. Despite these tensions, Djibouti remains arguably the most stable country in the Horn of Africa, with world-class port facilities and the potential to spur even more regional economic growth by serving as a entrepot between sub-Saharan Africa and the Arabian Peninsula. END SUMMARY.

MILITARY COOPERATION: AMERICA'S ONLY MILITARY BASE IN AFRICA

[1](#)2. (C) Djibouti is a peaceful, tolerant, democratic, Muslim country that contributes significantly to the national security of the United States as a key security partner. In addition to hosting the only U.S. military base in Africa, Djibouti: refuels U.S. Navy ships, broadcasts the Voice of America (VOA) in Arabic and Somali throughout the region, and even provides the U.S. military with one of the few live ammunition bombing ranges outside the U.S. In 2006, Djibouti replaced Dubai as the location of USAID's global warehouse for pre-positioned emergency food aid. Djibouti resolved its own civil war in the 1990s through a series of negotiations that led to an elected government that contains a coalition of former government and opposition leaders. President Ismael Omar Guelleh is the architect of Djibouti's partnership with the United States, and of the private investment-driven economic growth that is hanging the face of this once sleepy, post-colonial port-city-state. In 2005, President Guelleh was elected to a second and final six-year term; in February 2008, his five-party coalition swept

parliamentary elections for seats in the National Assembly.

¶3. (C) Our presence in, and partnership with Djibouti, significantly increase our capacity to project our principles and defend our interests in Africa. Headquarters of 2,500 U.S. and coalition personnel serving with the Combined Joint Task Force-Horn of Africa (CJTF-HOA), Djibouti consistently proves its value as a security partner in many other ways. It is also home to 3,500 French armed forces personnel, many of whom live here with family. When Djibouti won its independence from France in 1977, the two nations entered into an accord that obligated France to protect Djibouti's territorial integrity.

¶4. (C) Djibouti is actively working to stop terrorists. To increase its capacity to secure its borders, Djibouti requires effective security assistance, as well as job growth and investment in the welfare of Djibouti's people. We are working to strengthen border security and information systems with military, police, and other officials. With CJTF-HOA and coalition partners, we also focus on improving coordination of law enforcement efforts among the countries in the region. We are using FMF and 1206 funds to bolster Djibouti's maritime awareness (radar) and interdiction capacity, including a recently approved USD 7.9 million regional maritime awareness capability (RMAC) system, using FY07 Section 1206 funds. The USG has provided Djibouti with two small, new cutters and is working to build a navy pier in the north of the country that will allow Djibouti's Navy to project a presence in the Bab-al-Mandab strait, the entrance to the Red Sea. With CJTF-HOA and U.S. Coast Guard help, we are working with Djiboutians on small boat maintenance,

handling and tactics; and with CJTF-HOA in the lead, we are bringing Djiboutians and Yemenis together to set the stage for future cooperation monitoring the strait. On the land, we are working to improve border security, providing training and equipment to the military and improving systems for tracking entrants. Often such efforts are joint ventures, with different Djiboutian organizations benefiting from the efforts of the Embassy Regional Security Office, Naval Criminal Investigative Service, CJTF-HOA, and others.

BORDER CLASH WITH ERITREA

¶5. (C) In April 2008, the Government of Djibouti informed the U.S. Embassy that Eritrean troops had taken up positions along the frontier in the vicinity of Ras Doumeira, in northeastern Djibouti--along the border with Eritrea, and adjacent to the strategic Bab-al-Mandab strait (ref B). The Djiboutian military mobilized, and the two forces positioned themselves in close proximity along the border. In some cases, they were arrayed just a few meters apart. Djiboutian commanders approached their Eritrean counterparts to make arrangements to separate the forces, but were rebuffed. Subsequently, a number of Eritrean troops defected. An estimated 20 Eritrean troops had crossed into Djibouti and surrendered to Djiboutian authorities by late May 2008. The disposition of Eritrean defector/deserters currently in Djibouti remains under discussion among the GODJ, the UN High Commissioner for Refugees (UNHCR), and the International Committee of the Red Cross (ICRC).

¶6. (C) Fighting broke out in the vicinity of Ras Doumeira on 10 June 2008, reportedly as a result of continued defections. The skirmish lasted approximately 36 hours, and left Eritrea in control of the high ground at the border. Djiboutian troops established positions approximately 5K south of the border. The Djiboutians suffered an estimated 70 killed in action; Eritrean casualties are unknown. A senior Djiboutian officer, COL Aden Ali Ahmed, commander of the Armored Brigade, was reported missing at the front and is presumed dead or captured.

¶7. (C) In the aftermath of the conflict, French Forces in Djibouti mobilized and took up positions in Moulhoule,

approximately 15K south of the border. Ras Doumeira, which had previously been uninhabited, now remains occupied by Eritrean troops. The situation has remained static, and there has been no further fighting, as Djibouti seeks a diplomatic solution. CJTF-HOA provided medical support and limited logistical support through an ACSA agreement. Fact-finding delegations from the Arab League, African Union and United Nations have come to Djibouti for consultations. So far, no delegation has been granted visas to Eritrea, and Eritrea has continually downplayed the incident, failing to acknowledge it at all immediately following the fighting.

HOSTING SOMALIA MEDIATIONS

¶18. (C) Djibouti shares cultural and economic links with Somalia, Yemen, Ethiopia, and Eritrea. Faced with an influx in early 2008 of refugees fleeing from fighting in southern Somalia, the GODJ has worked with the Special Representative of the UN Secretary-General (UN SRSG) to host a series of talks between Somalia's Transitional Federal Government (TFG) and the moderate wing of the Alliance for the Re-Liberation of Somalia, leading to the signature of the "Djibouti Agreement" in August. Follow-up talks occurring in Djibouti in late October 2008 aim at further discussing conditions for a cease-fire in Mogadishu and possible power-sharing arrangements.

DEVELOPMENT CHALLENGES

¶19. (SBU) Internally, Djibouti faces tremendous challenges, including diseases such as tuberculosis and cholera; flows of IDPs and refugees from neighbors such as Ethiopia, Eritrea, and Somalia; an unemployment rate of 60 percent; and a

limited industrial base. Recurring drought, low food production, and rising prices have made dangerous malnutrition a constant. According to analysis by the USAID-supported Famine Early Warning Systems Network (FEWSNET), 340,000 Djiboutians--over half of the population--need emergency food assistance. USAID is working with UNICEF to provide therapeutic feeding for up to 25,000 malnourished children in Djibouti, and has made a USD2.7 million contribution in emergency food aid to support the World Food Program's relief operations. USAID support have helped Djibouti make significant gains in health and education, but food insecurity remains a key concern.

HUB FOR ECONOMIC GROWTH

¶10. (SBU) Djibouti is fast becoming a vital hub with the potential to accelerate regional economic growth. After France, Djibouti's next most important source of revenue has been Ethiopia. Long one of Ethiopia's outlets to the sea, Djibouti today handles almost all Ethiopia's oceangoing commerce, and the volume is booming. Friction closed Ethiopia's access to Eritrea's port, and instability in Somalia chilled use of Berbera and Mogadishu. The boom in trade volume reflects Djibouti's rapidly growing capacity as well as demand. Emirati investors, led by Dubai, have invested nearly one billion dollars into the port and other infrastructure, with significant additional investment likely. Djibouti knows that its future depends on region-wide stability, economic growth, and integration. Djibouti's port speeds trade, and its livestock quarantine and export facility (that USAID launched) permits legitimate exports from the Horn to key near Eastern markets for the first time in decades.

¶11. (U) Djibouti's long-term plan is to diversify the work of its port, so that it serves more as a regional transshipment hub, than as a port dedicated to Ethiopia. In addition, it hopes to maintain a strong banking sector, with its

convertible currency, pegged to the dollar since 1949, serving as a hard currency haven for people throughout the region. Djibouti seeks to develop its own mineral, maritime, and tourism resources. An Icelandic energy company is currently working with the Government of Djibouti to explore the feasibility of generating up to 100 megawatts, using geothermal energy sources near Djibouti's Lac Assal.

BRIDGE BETWEEN AFRICA AND THE MIDDLE EAST

¶12. (U) In July 2008, a consortium led by Osama bin Laden's half-brother, Tarek bin Laden, announced plans to construct an intercontinental suspension bridge linking Djibouti and Yemen. This "Al Noor" (Cities of Light) project aims at constructing two new cities in Djibouti and Yemen, to be linked by one of the world's longest suspension bridges. The bridge would span the strategic Bab-al-Mandab strait, the narrowest point between the waters of the Red Sea and the Gulf of Aden. Construction of the bridge is estimated in 15 years; completion of the two new cities is an ambitious 40-year project, modeled after development in Singapore, Dubai, and Hong Kong. Together, the cost of the bridge and "Al Noor" cities project is estimated at USD 150-200 billion.

U.S. firms participating in this project include PriceWaterhouseCoopers, AIG, and L3; L3 is serving as overall project manager. The Government of Djibouti has publicly announced its support of the project, and has provided land in Djibouti for the consortium. Djibouti sees its future as one driven by global economic growth, and sees economic integration as essential to stability. Its success would help inculcate similar values in the neighbors.

WONG